

CONFERENCE ROOM PAPER

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirtieth Session

**REPORT OF THE EXTERNAL AUDITOR TO
THE 113TH SESSION OF THE COUNCIL OF THE
INTERNATIONAL ORGANIZATION FOR MIGRATION
FOR THE FINANCIAL YEAR 2021**

Office of the Auditor-General of Ghana

* This statement has been issued in its original form, as submitted to IOM by the External Auditor, the Auditor-General of Ghana.

EXECUTIVE SUMMARY

This report presents the significant findings of the Auditor General of Ghana on the external audit of the International Organization for Migration (IOM) for the 2021 financial year.

During the year under review, we carried out compliance audits of IOM Country offices in Brazil, Chad, DR Congo, Ecuador, El Salvador, Greece, Mexico, Sri Lanka, Sudan and Viet Nam. We also reviewed some operations at Headquarters and the Manila Administrative Centre and carried out Performance Audit on Processing Pension Claim Documents by the HR Offices of IOM and validated the Financial Statements of IOM for the financial year ended 31 December 2021.

Overall Audit Opinion on the Financial Statements

In our opinion, the Financial Statements present fairly, in all material aspects, the financial position of the IOM's operations as at 31 December 2021. I have placed an unqualified audit opinion on IOM's financial statements for the financial year ended 31 December 2021.

The audit of the other areas mentioned above yielded the following important findings.

Financial matters

The overall budget for the year 2021 was USD 2,313.95 million for the Operational Part and CHF 53.19 million for the Administrative Part. During the year 2021, the total revenue was USD 2,549.48 million against a total expenditure of USD 2,532.10 million, leaving a surplus of USD 17.38 million. After considering exchange loss of USD 72.13 million and Administrative programme revaluation adjustment (credit) of USD 2.01 million, the net deficit amounted to USD 56.76 million. The receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2021 stood at USD 5.22 million and USD 145.96 million respectively. The key financial indicators of IOM for the year ended 31 December, 2021 were as follows:

- a. IOM recorded a surplus (before exchange rate difference) of USD 17.38 million during the year 2021, compared to a surplus of USD 5.62 million registered in 2020, an increase of USD 11.76 million or 209 per cent.
- b. IOM revenue showed an increasing trend during the last five years from 2017 to 2021.
- c. Though due to increase in activities, most of the components of expenditure registered an increase in 2021 over the 2020 figures, the expenditure continued to remain within budget and revenue during 2021.

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

Need to conduct external assessment of OIG

We noted that the Internal Governance Framework (IGF) does not include a holistic review of OIG functions in strengthening and adopting fit for purpose internal governance system in fraud prevention and risk management. **We recommended that Management should consider the need to conduct an external assessment of the OIG functions to improve IOM internal oversight functions and strengthen its core structures as well as design it to better deliver support to the entire Organization.**

Sustainability of funding the IGF initiative

We observed that the Organization is limited in its ability to redirect core resources to the IGF reform agenda due to IOM's projectized model. We envisaged that without secured and available funding for these reforms, IOM had to take a slower implementation approach for the Business Transformation Initiative. **We recommended that Management should continue to dialogue with Member States and other donors regarding the need to attract additional financial resources to fully realize the reform agenda.**

Need to review IOM data protection guidelines

The Organization's (IOM) Data Protection Manual had not been updated to mitigate concerns regarding risks associated with handling and processing of institutional data, particularly in the light of current fragmented regulatory landscape on data privacy, and technological advancement. **We recommended that the Organization should provide the required resources and adopt a coordinated approach to create and implement processes that support data privacy and protection and also update IOM Data Protection Manual.**

Cybersecurity management

Our evaluation of IOM's cybersecurity management indicated that it was still at the lowest grade and not compliant with International Organization for Standardization and International Electrotechnical Commission's (ISO/IEC 27001) standard on information security management systems, to provide robust information security management action against future cybersecurity risks. We also noted that the last cybersecurity audit was performed in 2016 despite the investment in technology as one of the tools underpinning the internal governance framework and business transformation initiative. **We recommended that the Organization should adopt a comprehensive cross-cutting cybersecurity management and allocate resources to contribute to attaining the desired level of information security protection.**

Strengthening internal oversight arrangements

We observed that the Terms of Reference (ToR) of the Audit and Oversight Advisory Committee (AOAC) had not kept pace with changes from an original strong focus on audit and financial reporting issues to a much broader audit and oversight committee involved in overseeing nearly all aspects of strategy and executive management, including the technical aspects of the Organization's work. **We recommended that the Organization should adopt generally accepted good practices by keeping the AOAC ToR abreast with new developments within the Organization so as to enhance its advisory role.**

Internal Audit involvement in new initiatives

We noted that the Internal Audit Unit had been involved in the Internal Governance Framework (IGF) and Business Transformation initiative to ensure operational efficiency and responsiveness as well as monitoring of external service providers during the implementation phase. **We recommended that the Organization should continue to involve OIG and its ancillary units to strengthen internal controls and enhance successful implementation of the initiatives to achieve the intended objectives of IOM.**

Strengthening evaluation functions

We noted that the United Nations Evaluation Group Peer Review Report had made recommendations to strengthen IOM evaluation functions, but their implementation would require specific funding at the system-wide level of the Organization. **We recommended that the Organization should find the required resource for the evaluation function and address the limited staff numbers to ensure the success of the new approach.**

Good practice identified in the use of the FinCoorP

Our follow up on the implementation of the FinCoorP revealed that the system had improved management of financial inquiry from staff across the Organization. However, periodic staff usage and satisfaction surveys had not been conducted to identify new ways to facilitate communication among staff and reduce the demand on the telephone help line and or emails. **We urged Management to continue to explore opportunities to leverage on FinCoorP as well as continuously improve the system which would enable IOM to move from reactive financial control to system-integrated, proactive and more efficient monitoring practices.**

PERFORMANCE AUDIT ON PROCESSING PENSION CLAIM DOCUMENTS BY THE HR OFFICES OF IOM

The purpose of this audit was to assess the performance of the Pension Unit of IOM in the management of pensions and provide recommendations for improvement where there were deficiencies. The audit was on the Pension Management Unit at Manila Administrative Centre from 2018 to 2021 and focused on the processing of pension claims for separated staff and beneficiaries of IOM.

We reviewed and analysed pension claims processing documents from 2018 to 2021, Annual reports and other documents. We interviewed personnel from the Pension Unit and Pension Committee for their experiences and to gain insights into the operations of pension management in IOM.

In spite of strategies put in place by IPAU aimed at reducing claim processing time and improve data integrity, we noted areas that delayed the processing of pension claims of separated staff as shown below:

Delays in processing of pension document caused by the submission of inaccurate/incomplete financial data by the participants' respective office

The wage type reports from IOM HR Offices were sometimes incomplete or inaccurate or both and did not facilitate early processing of claim documents upon separation. Incomplete or disputed financial statements delayed the processing of pension claims since according to IPAU, processing claims could only be finalized with consistent and complete financial statement (i.e., no contribution discrepancies).

Inaccurate biodata of members in the system

We found that IPAU had a challenge concerning the consistency of the biodata of members across various databases in IOM to facilitate early processing of claims of separated staff. There were in some cases discrepancies in the biodata of separated members who applied for their benefits. Some of the discrepancies in the biodata included spelling of names, date of birth, signatures, and marital status.

UNJSPF members do not take advantage of the Pension Annual statement available to them to check for both bio and financial data whilst in service

Although the Fund provide members with access to their statement of accounts yearly, some members did not provide feedback to IPAU on discrepancies in the information sent to them during their time of active service until they were separated and ready to process their pension benefits.

Some IOM HR units are not able to complete and exit payroll by 20th of each month

As a result, the Pension Unit had to rely on previous month's contribution statements to prepare and submit current month's contributions statement and payment to UNJSPF to meet the Fund's deadline of the second working day of the ensuing month. This increased the workload of the Pension Unit in the subsequent month as they must rectify discrepancies in the previous month's report to the UNJSPF as well as verify, reconcile, and prepare contribution report of the current month for submission to the Fund.

Separated staff delayed in communicating with IOM Pension Unit to ensure prompt receipt of feedback for early processing of claims

According to IPAU, the use of email was the fastest and cost-effective means of communicating with separated staff. However, in an extreme case, IPAU had to issue six reminders over a period of 1,431 days for a separated staff to finally respond to the initial email sent.

Recommendations

Based on our conclusions, we recommended the following actions for implementation:

- Require from staff working in the HR Offices of IOM to as part of submitting contract confirmation of UNJSPF eligibility, submit update of bio data on members, and implement applicable pensionable remuneration rates effectively and confirm exit of payrolls in a timely manner.
- Educate members to take keen interest in examining their annual contribution statement to check the accuracy of contributions as well as their bio details and report any anomaly to the IPAU through the HR units.
- IPAU should employ other means such as direct telephone call to the separated staff or liaise with the HR unit of the separated staff to get the separated staff to complete the pension payment instructions.

AUDIT OF COUNTRY OFFICES

ICT Disaster Recovery and Business Continuity Plan

We noted that IOM Brazil Office did not carry out yearly simulation exercises as prescribed by IN/88 for the ICT component of the Business Continuity Plan (BCP), thereby putting the Mission at risk of non-recovering systems in the event of a disaster. **We recommended that Management should regularly update the BCP to include simulation procedures and conduct yearly simulation drills for the ICT component of the BCP.**

Data Backup off IOM Premises

We observed at the Brazil Office that data backed up on external hard drives were kept at the residences of the Chief of Mission and the Resource Management Officer in contravention of IN/88. **We recommended that Management should have a data backup storage at a safe location off-premises to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.**

Exit Interviews /Staff Turnover

We noted that the Chad Office did not conduct exit interviews with staff separating from the Office at local level, other than surveys conducted anonymously online and centrally. The deprived the Office of constructive feedback and the opportunity to assess the overall employee experience with the organization. **We recommended that management should conduct, and document exit interviews with departing staff and keep copies on their files to provide valuable information for use in the preparation of vacancy notices to promote staff retention and minimise the incidence of staff attrition.**

Updating of asset inventory list

Our review of the Assets Register in PRISM disclosed that serial/chassis numbers of ICT equipment, vehicles and Generators have not been recorded in PRISM and a number of items do not either have inventory numbers or the last inventory date have not been updated in the PRISM. **We recommended that all asset management information fields prescribed should be promptly updated in the PRISM for effective monitoring.**

Indebtedness of separated staff

We noted that seven separated staff had amounts totalling USD 5,458.82 standing in their names whilst their status in PRISM also remained active even though they had separated from IOM Chad. **We recommended that Management should put in place controls that ensure that employees make good their indebtedness and also account for all IOM properties in their custody before they exit.**

Outstanding staff vendor amounts

We noted that 14 staff of the Chad Office who were granted advances had a total of USD 47,844.07 standing in their names, with the age of the outstanding debts ranging between 61 and 120 days. **We recommended to Management to introduce control mechanisms that ensures that advances to employees are retired within five days after the end of the activity in respect of which the amounts were advanced.**

Unspent projects funds on closed projects

We noted at the Congo Office that some closed projects of the Office for 2020/2021 recorded low burn rates resulting in unspent project funds of USD 292,917.98 out of a total amount of USD 474,776.62. **We recommended that the CoM and the Resource Manager should undertake reviews of these projects and monitor them to avoid low burn rates and budget overrun.**

Delays in VAT reimbursables

We noted from a sample analysis of outstanding tax reimbursable at the Ecuador Office that, as at 12 October 2021, a total amount of USD 1,443,409 had not been reimbursed by the host country, including an amount of USD 861,513 which relates to refunds outstanding between two to four years. **We recommended that the Resource Management Officers and Chief of Mission should regularly follow up with the tax authorities for early refunds of VAT reimbursables to enhance the cashflow of the Office.**

Refund of USD 534,939.91 on close projects

We noted that the El Salvador Office reported low burn rates on six projects resulting in unspent project funds of USD 534,939.91. **We recommended that the Chief of Mission and the Resource Manager should in future explore the option of rollover of funds at the inception of the project negotiations to enable the Office to make a formal request for the rollover of funds on closed projects, to secure unspent funds for the subsequent period projects.**

Review of accounts payable

We noted from our review of the Greece Office Accounts Payable Ageing Report that out of the total amount of USD 17,283,039.42, an amount of USD 2,923,445.30 represented older payables between 31 days and over 121 days. **We recommended that the CoM should monitor and follow up on outstanding payables with the Greek Authorities to ensure recovery of the VAT amount.**

Overdue voluntary contribution receivable

We noted that as at 30 September 2021, the Greece Office had voluntary contributions receivable totalling USD 9,025,386.78 outstanding beyond 121 days. **We recommended that the CoM should continue to follow up on the donors and ensure that all outstanding clarifications to resolve the final report are carried out so as to liquidate outstanding receivables to facilitate implementation of project activities.**

Privileges and immunities to IOM staff by the host country

We observed that due to the lack of an updated host country agreement, the Greece Office spent several man hours to ensure compliance with IOM standard policies and procedures as well as adhering to national laws of the country, especially, in payroll processing of national staff

entitlements. **We recommended that Management should continue to liaise with IOM Headquarters with the view of pursuing the signing of an updated host country agreement and obtain full privileges and immunities accorded to other intergovernmental organizations.**

Need to finalize the Office strategy plan

We observed that IOM Office in Greece had developed a Strategic Plan (2021– 2024) to establish a system for managing IOM’s programmatic priorities within the context of current migration realities in Greece, but the Strategic Plan was in draft, pending formal approval by the Regional Office in Brussels and the IOM Publications Unit. **We recommended that in view of the widening scope of migration activities undertaken by the Office, the CoM should liaise with IOM Regional Office in Brussels and the Publications Unit to obtain the required approval of the Strategic Plan for implementation.**

Staff sustainability

We noted that 226 staff were handling 27 projects in 2020/2021 at the Mexico Office, but the number of projects will reduce by about half of the numbers from 2022 onwards. **We recommended to management to consider the sustainability issues thoroughly and endeavour to identify new donors to finance activities of the Office so as to keep trained and experienced staff to support the needs of migrants.**

Dialogue for exemption from payment of VAT

We noted that IOM Mexico had not been exempted from VAT, rather all moneys paid in respect of VAT are refundable to the Organization by the Mexican Tax Authorities. We also observed instances where VAT amounts had not been refunded to the Office, for example VAT amounting to USD 37,398.35 and USD 9,787.29 for 2020 and 2021 respectively had not been refunded to the Office. **We recommended that management should continue to negotiate and dialogue with the Mexican Tax Authorities to grant them full tax exemption, such that there would not be the need for claiming refunds.**

Delays in VAT reimbursables

We noted that the Sudan Office had not been able to recover a total VAT receivable of USD 325,330.00 as at October 31, 2021, which include an amount of USD 154,600.00 outstanding for over five years. **We recommended that the RMO and CoM should regularly follow up with the Tax Authorities to ensure timely collection of the VAT receivables.**

Low Budget Burn Rate

We observed at the Viet Nam Office that there were delays in the implementation of 15 projects which were nearing completion but have relatively low budget burn rates as of 31 October 2021. **We recommended to Management to strengthen their supervision over the project management and ensure that all factors under their control that hinder the smooth implementation of projects are eliminated or brought to the barest minimum to allow for speedy project implementation and completion.**

INTRODUCTION

1. The 109th Session of IOM Council in December 2018, by Resolution 1371, re-appointed the Ghana Audit Service as the External Auditor for the International Organization for Migration (IOM) for 2019, 2020 and 2021 financial years. The scope of the audit was in accordance with Regulation 12.1 of the Financial Regulations and principles set out in the Annex to these regulations. The audit was conducted in accordance with the International Standards on Auditing and focused on financial, compliance and performance auditing.
2. IOM has nine Regional Offices (RO)¹, two Special Liaison Offices² and 523 field locations. We carried out an interim financial audit of the Manila Administrative Center by virtual means in December 2021 and a final audit of Headquarters, Geneva in April 2021 also by virtual means.
3. The financial audit focused on obtaining reasonable assurance as to whether the activities, financial transactions and information reflected in the financial statements were, in all material respects, in compliance with the IOM's financial regulations. Coordination with the Office of Inspector General had been continual and comprehensive. Professional reliance was placed, wherever necessary, on the work of the internal audit.
4. Significant findings arising from the audits performed, after detailed discussions with the concerned managements, were conveyed through Management Letters. The more significant of these findings, appropriately aggregated, have been incorporated in this report. The Management accepted the recommendations made in the report and assured that action would be taken to address them.

AUDIT OPINION

5. According to the terms of reference for the External Auditor, I am required to express an opinion on the IOM Financial Statements for the financial period 1 January 2021 to 31 December 2021. Our audit of the Financial Statements for 2021 revealed that the Financial Statements present fairly in all material respects, the financial position of the Organization as at 31 December 2021 and its financial performance during the period 1 January 2021 to 31 December 2021.
6. Accordingly, I have placed an unqualified audit opinion on the Organization's financial statements for the financial year ended 31 December 2021.

FINANCIAL PERFORMANCE

7. The overall budget for the year 2021 was USD 2,313.95 million for the Operational Part and CHF 53.19 million for the Administrative Part. During the year 2021, the total revenue was USD 2,549.48 million and the total expenditure was USD 2,532.10 million, leaving a surplus of USD 17.38 million. After considering exchange loss of USD 72.13 million and Administrative programme revaluation adjustment (credit) of USD 2.01 million, the net deficit amounted to USD 56.76 million. The receivables pertaining to assessed contributions and voluntary contributions as at 31 December, 2021 stood at USD 5.22 million and USD 145.96 million respectively.

¹ Bangkok, Thailand; Brussels, Belgium; Buenos Aires, Argentina; Cairo, Egypt; Dakar, Senegal; Nairobi, Kenya; Pretoria, South Africa; San José, Costa Rica; and Vienna, Austria.

² New York, USA and Addis Ababa, Ethiopia.

Surplus/ Deficit

8. IOM recorded an increased trend of surplus/deficit (before exchange rate difference) during the years 2017 and 2019 but the surplus decreased during the year 2020. However, the surplus/deficit (before exchange rate difference) increased in 2021 as shown in Table 1. While the surplus increased by 131 percent in 2018 as compared with 2017 and a further increase of 73 percent in 2019 compared to 2018, there was a decrease of 82 per cent during the year 2020 as compared to 2019 and an increase of 209 percent in 2021 as compared with surplus registered during the year 2020. IOM recorded deficits (after exchange rate difference) in 2018 as compared to 2017. In 2019, however, there was a 309 per cent increase in surplus (after exchange rate difference) when compared with the 2018 deficit and a further increase of 67 percent in 2020 over the surplus (after exchange rate difference) in 2019. However, the deficit (after exchange rate difference) decreased by 193 percent in 2021 as compared to a surplus (after exchange rate difference) in 2020.

Table 1: Financial trends of surplus/deficit (expressed in USD million)

Year	Surplus/(Deficit) - after exchange rate difference	Surplus/(Deficit) - before exchange rate difference	Accumulated Surplus/(Deficit)
2017 (restated)	68.98	7.88	77.83
2018 (restated)	(17.42)	18.24	57.56
2019 (restated)	36.34	31.58	95.02
2020 (restated)	60.82	5.62	169.65
2021	(56.76)	17.38	121.70

9. In the year 2021, IOM recorded an exchange loss of USD 72.13 million, as against an exchange gain of USD 53.03 million in 2020 (restated). Consequently, in part, the accumulated surplus of USD 169.65 million in 2020 (restated) resulted in a lower accumulated surplus of USD 121.70 million (a decrease of USD 47.95 million) during 2021. The exchange loss of USD 72.13 million consisted mainly by 91.65 percent of accumulated unrealized revaluation losses of USD 66.11 million, related to foreign currency monetary assets and liabilities converted into US dollars, together with realized exchange rate losses amounting to USD 7.65 million upon settlements of accounts receivable and payable, which include balances of completed projects reported in a currency other than US dollars.

Revenue and Expenses

10. The total revenue and expenditure of IOM showed a continuous increasing trend during the last five years from 2017 to 2021 as depicted in Table 2. Again, actual expenditure incurred continued to remain within the revenue during the period.

Table 2: Total Revenue and Expenditure trends (expressed in USD million)

Year	Revenue	Expenditure
2017 (restated)	1,614.29	1,606.41
2018 (restated)	1,811.77	1,793.53
2019 (restated)	2,127.07	2,095.49
2020 (restated)	2,183.29	2,177.68
2021	2,549.48	2,532.10

11. Staff salaries and benefits, which comprised 32.09 percent of the expenses, increased by USD 96.97 million (13.55 percent) in 2021 as compared to 2020. Contractual services constituting 20.69 percent of the total expenses, also increased by USD 49.83 million (10.5 percent) in 2021 as compared to 2020. Furthermore, Other direct assistance to beneficiaries, which represents 17.20 per cent of the expenses, increased by USD 108.16 million (33.04 percent) in 2021 as compared to 2020. Summary details are shown in Table 3.

Table 3: Percentage of expenditure component (expressed in USD million)

Component of Expenses	2021		2020 (restated)	
	Amount (in USD million)	Percent to total (%)	Amount (in USD million)	Percent to total (%)
Transportation Assistance	207.13	8.18	188.28	8.65
Medical Assistance	64.21	2.54	61.87	2.84
Other direct assistance to beneficiaries	435.57	17.20	327.41	15.03
Implementing Partner Transfers	266.81	10.54	212.28	9.75
Contractual services (including on behalf of beneficiaries)	523.98	20.69	474.15	21.77
Staff Salaries and Benefits	812.46	32.09	715.49	32.86
Travel and subsistence	48.67	1.92	30.74	1.41
Supplies and Consumables	144.32	5.70	144.52	6.64
Depreciation and amortization	23.11	0.91	17.51	0.80
Doubtful receivables	3.10	0.12	2.43	0.11
Others	2.72	0.11	3.01	0.14
Total	2,532.08	100	2,177.69	100

12. The operational expenses during the year 2021 exceeded the budgetary provision by USD 150.99 as against the final budgetary allocation for operational programmes of USD 2,313.95 million for 2021, the actual expenditure was USD 2,464.94 million on modified accruals (budgetary) basis.

Project Management

13. The number of financially active projects increased to 3,396 during 2021 from 3,246 in 2020. Operationally active projects at the end of the fiscal year increased from 2,570 in 2020 to 2,656 in 2021. Table 4 below gives the summary details:

Table 4: Number of financial and operational active projects

Year	Financially active projects during the year	Operationally active projects as at the end of 31 December
2017	2,925	2,277
2018	3,441	2,584
2019 (restated)	3,062	2,327
2020	3,246	2,570
2021	3,396	2,656

Table 5 shows that operational revenue as well as expenses have increased over the last five years.

Table 5: Total Revenue and Expenses of Operational Programme (expressed in USD million)

Operational Programme		
Year	Expenses (excluding exchange rate difference)	Revenue
2017 (restated)	1,552.31	1,564.84
2018 (restated)	1,738.57	1,759.90
2019 (restated)	2,041.09	2,074.14
2020 (restated)	2,117.22	2,129.72
2021	2,469.47	2,489.32

14. The cash, cash equivalents and short-term investments increased from USD 1,610.37 million in 2020 to USD 1,668.55 million in 2021. The Deferred Revenue during the year 2021, showed an increase by USD 72.37 million as compared to the year 2020. This was mainly from voluntary contributions received from donors in advance of performance delivery under operational programme.

Current Assets and Current Liabilities

15. The current ratio analysis during the last five years, as shown in Table 6, indicates that IOM will be able to meet its short-term obligations as and when they fall due.

Table 6: Current assets and liabilities (amounts expressed in USD millions)

Description	2021	2020 (restated)	2019 (restated)	2018 (restated)	2017 (restated)
Current Assets (CA)	2,035.10	2,040.91	1,785.22	1,792.61	1,350.77
Current Liabilities (CL)	1,861.35	1,827.56	1,631.43	1,569.03	1,110.07
Current Ratio (CA/CL)	1.09	1.12	1.09	1.14	1.22
Cash and cash equivalents (C&CE)	663.56	655.19	886.99	922.82	644.65
Ratio of C&CE to CL (C&CE/CL)	0.36	0.36	0.54	0.59	0.58

HEADQUARTERS AND MANILA ADMINISTRATIVE CENTRE

AUDIT ISSUES

Need to conduct external assessment of OIG

16. We noted that the Internal Governance Framework (IGF) does not include a holistic review of OIG functions in strengthening and adopting fit for purpose internal governance system in fraud prevention and risk management.

Recommendation 1

We recommended that Management should consider the need to conduct an external assessment of the OIG functions to improve IOM internal oversight functions and strengthen its core structures as well as design it to better deliver support to the entire Organization.

17. OIG accepted the recommendation of a holistic review of the assurance mapping and services provided by the Office of the Inspector General (i.e. for internal oversight) and by the External Auditor (i.e. for the external oversight), currently the Ghana Audit Service, so to ensure full synergy without duplication of the services provided, while respecting the independent nature of these two functions. OIG confirms herewith that subsequent to the recommendation date of 14 January 2022, IOM received on 17 January 2022 the KPMG report on 'External Quality Assessment of the Internal Audit function of the Office of the Inspector General' and based thereon considers the recommendation as implemented and closed.

Sustainability of funding the IGF initiative

18. We observed that the Organization was limited in its ability to redirect core resources to the IGF reform agenda due to IOM's projectized model. We envisaged that without secured and available funding for these reforms, IOM had to take a slower implementation approach for the Business Transformation Initiative.

Recommendation 2

We recommended that Management should continue to dialogue with Member States and other donors regarding the need to attract additional financial resources to fully realize the reform agenda.

19. Management agreed with the observation and recommendation and indicated that it will continue to engage with Members States in implementing the reform agenda and secure the necessary financial resources.

Need to review IOM data protection guidelines

20. The Organization's (IOM) Data Protection Manual had not been updated to mitigate concerns regarding risks associated with handling and processing of institutional data, particularly in the light of current fragmented regulatory landscape on data privacy, and technological advancement. Very importantly, IOM's policy needs to be adjusted to take into account new technologies that are being used in projects (e.g. cloud computing, artificial intelligence, drones).

Recommendation 3

We recommended that the Organization should provide the required resources and adopt a coordinated approach to create and implement processes that support data privacy and protection and also update IOM Data Protection Manual.

21. Management agreed with the recommendations and stated IOM had allocated funding to a two-year Data Protection and Privacy Programme that will focus on: review of policies and processes; update and develop new trainings and dissemination materials; partnerships with data protection

stakeholders, including states and other international organizations; continuous provision of advice on IOM projects, work in general compliance with IOM's policies and network of focal points, review of data sharing agreements, handling of requests and complaints from data subjects; and outreach. Management added that the updated policies and procedures will be revisited and updated on a continuous basis to account for new developments in law and technology.

Cybersecurity management

22. Our evaluation of IOM's cybersecurity management indicated that was still at the lowest grade and not compliant with International Organization for Standardization and International Electrotechnical Commission's (ISO/IEC 27001) standard on information security management systems, to provide robust information security management action against future cybersecurity risks. We also noted that the last cybersecurity audit was performed in 2016 despite the investment in technology as one of the tools underpinning the internal governance framework and business transformation initiative.

Recommendation 4

We recommended that the Organization should adopt a comprehensive cross-cutting cybersecurity management and allocate resources to contribute to attaining the desired level of information security protection.

23. Management agreed with the recommendation and stated that it was committed to address the critical need of enhancing its cybersecurity environment. Management added that the needed investments have been defined and integrated into the new ICT strategy 2022-2025. Management further stated that the Director General had authorized the drawdown of USD 4million from the OSI reserve to enable implementing the most critical improvements in year 1.

Strengthening internal oversight arrangements

24. We observed that the Terms of Reference (ToR) of the Audit and Oversight Advisory Committee (AOAC) had not kept pace with changes from an original strong focus on audit and financial reporting issues to a much broader audit and oversight committee involved in overseeing nearly all aspects of strategy and executive management, including the technical aspects of the Organization's work.

Recommendation 5

We recommended that the Organization should adopt generally accepted good practices by keeping the AOAC ToR abreast with new developments within the Organization so as to enhance its advisory role.

25. Management agreed with the recommendation and indicated that it will facilitate the review of the Terms of Reference of the AOAC.

Internal Audit involvement in new initiatives

26. We noted that the Internal Audit Unit had been involved in the Internal Governance Framework (IGF) and Business Transformation initiative to ensure operational efficiency and responsiveness as well as monitoring of external service providers during the implementation phase.

Recommendation 6

We recommended that the Organization should continue to involve OIG and its ancillary units to strengthen internal controls and enhance successful implementation of the initiatives to achieve the intended objectives of IOM.

27. Management agreed with the recommendation and stated that the Organization is committed to continue this implementation approach and to expand to OIG and its units' involvement in the IGF and Business Transformation related activities.

Strengthening evaluation functions

28. We noted that the United Nations Evaluation Group Peer Review Report had made recommendations to strengthen IOM evaluation functions, but their implementation would require specific funding at the system-wide level of the Organization.

Recommendation 7

We recommended that the Organization should find the required resource for the evaluation function and address the limited staff numbers to ensure the success of the new approach.

29. Management agreed with the recommendation and reiterated Administration's commitment to strengthen institutional performance and oversight functions. Management indicated that additional funding for Evaluation functions will be dependent and influenced by the outcome and results of the ongoing Budget Reform discussions.

Good practice identified in the use of the FinCoorP

Our follow up on the implementation of the FinCoorP revealed that the system had improved management of financial inquiry from staff across the Organization. However, periodic staff usage and satisfaction surveys have not been conducted to identify new ways to facilitate communication among staff and reduce the demand on the telephone help line and/or emails.

Recommendation 8

We urged Management to continue to explore opportunities to leverage on FinCoorP as well as continuously improve the system which would enable IOM to move from reactive financial control to system-integrated, proactive and more efficient monitoring practices.

30. Management expressed its gratitude for the positive observation and agreed with the recommendation. Management highlighted that communication between the staff and IOM central financial services is already facilitated via Financial Coordination Platform (FinCoorP), whether received via emails or via the platform. Management added that to advocate for direct submission of queries via FinCoorP, as opposed to via emails, it will launch enhanced communication efforts such as the intranet landing page, SharePoint and targeted FinCoorP awareness raising articles.

PERFORMANCE AUDIT ON PROCESSING PENSION CLAIM DOCUMENTS BY THE HR OFFICES OF IOM

Introduction

31. IOM has 174 member states, eight observer states and employs 17,761 staff working on over 3,396 financially active projects worldwide. IOM operates a pension scheme that protects the economic dignity of its separated staff and has in this regard, established a Pension Unit at its Manila Administrative Centre to render pensions administration services to the United Nations Joint Staff Pension Fund (UNJSPF) on behalf of employees (staff, professionals, and experts) of IOM world-wide. The Unit's purpose was to ensure beneficiaries are up to date on their contributions, maintain accurate data (both bio and financial) on members and to process separation documents and claims for separated staff timely.

32. The Pension Unit's aim was to ensure smooth and timely processing of benefit documents of separated staff and beneficiaries. However, there are areas that inhibit the IOM Pension Administration Unit (IPAU) in achieving this aim of smooth and timely processing of pension documents on behalf of separated staff of IOM.

33. The purpose of this audit was to assess the performance of the Pension Unit of IOM in the management of pensions and provide recommendations for improvement where there were deficiencies.

34. The audit was on the Pension Management Unit at Manila Administrative Centre from 2018 to 2021 and focused on the processing of pension claims for separated staff and beneficiaries of IOM.

35. We reviewed and analysed pension claims processing documents from 2018 to 2021, Annual reports and other documents. We interviewed personnel from the Pension Unit and Pension Committee for their experiences and to gain insights into the operations of pension management in IOM.

Findings

Delays in processing of pension document caused by the submission of inaccurate/incomplete financial data by the participants' respective office

36. The wage type reports from IOM HR Offices were sometimes incomplete or inaccurate or both and did not facilitate early processing of claim documents upon separation. Incomplete or disputed financial statements delayed the processing of pension claims since according to IPAU, processing claims could only be finalized with consistent and complete financial statement (i.e., no contribution discrepancies).

Inaccurate biodata of members in the system

37. We found that IPAU had a challenge concerning the consistency of the biodata of members across various databases in IOM to facilitate early processing of claims of separated staff. There were in some cases discrepancies in the biodata of separated members who applied for their benefits. Some of the discrepancies in the biodata included spelling of names, date of birth, signatures, and marital status.

UNJSPF members do not take advantage of the Pension Annual statement available to them to check for both bio and financial data whilst in service

38. Although the Fund provide members with access to their statement of accounts yearly, some members did not provide feedback to IPAU on discrepancies in the information sent to them during their time of active service until they were separated and ready to process their pension benefits.

Some IOM HR units are not able to complete and exit payroll by 20th of each month

39. As a result, the Pension Unit had to rely on previous month's contribution statements to prepare and submit current month's contributions statement and payment to UNJSPF to meet the Fund's deadline of the second working day of the ensuing month. This increased the workload of the Pension Unit in the subsequent month as they must rectify discrepancies in the previous month's report to the UNJSPF as well as verify, reconcile, and prepare contribution report of the current month for submission to the Fund.

Separated staff delay in communicating with IOM Pension Unit to ensure prompt receipt of feedback for early processing of claims

40. According to IPAU, the use of email was the fastest and cost-effective means of communicating with separated staff. However, in an extreme case, IPAU had to issue six reminders over a period of 1,431 days for a separated staff to finally respond to the initial email sent.

Conclusions

41. From the foregoing, we conclude that:

- There are delays in processing separation documents for separated staff due to deficiencies in the management of bio and financial data.
- IPAU emailing separated staff alone without copying the respective HR Office to start processing of document for pension benefit did not yield early response from them.

Recommendations 9

Based on our conclusions, we recommend the following actions for implementation:

- **Require from staff working in the HR Offices of IOM to as part of submitting contract confirmation of UNJSPF eligibility, submit update of bio data on members, and implement applicable pensionable remuneration rates effectively and confirm exit of payrolls in a timely manner.**
- **Educate members to take keen interest in examining their annual contribution statement to check the accuracy of contributions as well as their bio details and report any anomaly to the IPAU through the HR units.**
- **IPAU should employ other means such as direct telephone call to the separated staff or liaise with the HR unit of the separated staff to get the separated staff to complete the pension payment instructions.**

Management response

42. Management agreed with the first recommendation and stated that the Department of Human Resources is hoping to start implementing a centralized Global Payroll in the coming months. With regard to the accuracy of bio data, IOM is currently undergoing a data cleansing process ahead of the data migration to the new Enterprise Resource Planning (ERP) system, which should significantly help with data integrity in general.

43. Management agreed with the second recommendation and stated that the IOM Pension Administration Unit will conduct more webinars to educate Participants and will continue to send reminders to Participants to access their Pension Annual Statements, including the access to check their IOM Pension data and underline the importance of informing the Pension Administration Unit of any discrepancies in their data.

44. Management agreed with the third recommendation and indicated that the IOM Pension Administration Unit will coordinate through the Panama Administrative Centre to get the Pension Administration Unit included on signing off on the exit clearance forms, and HR separation letters to staff members to include contacting the Pension Administration Unit for guidance on submission of the required pension documents.

AUDIT OF COUNTRY OFFICES

ICT Disaster Recovery and Business Continuity Plan

45. We noted that IOM Brazil Office did not carry out yearly simulation exercises as prescribed by IN/88 for the ICT component of the Business Continuity Plan (BCP), thereby putting the Office at risk of non-recovering systems in the event of a disaster.

Recommendation 10

To ensure that the Office's information assets are properly safeguarded, we recommended that the BCP should be regularly updated to include simulation procedures and implemented. We also urged the Office to comply with the requirement to conduct yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.

46. Management agreed with the recommendation and stated that simulation procedures will be added and implemented, including yearly simulation for ICT component.

Data Backup off IOM Premises

47. We observed at the Brazil Office that data backed up on external hard drives were kept at the residences of the Chief of Mission and the Resource Management Officer thereby contravening IN/88 Instructions to Offices to have a safe location off-premises (i.e., bank safe, fireproof safe in IOM's sub-office in the country) to store monthly and yearly backups on cartridges to protect data/information against potential disasters.

Recommendation 11

We recommended that Management should have a data backup storage at a safe location off-premises (i.e., bank safe or fireproof safe in IOM's sub-office in the country) to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.

48. Management explained that IOM Brazil is currently assessing the best option (bank, fireproof safe, etc.) to immediately secure storage of IOM Brazil data and added that IOM Brazil does not have a physical server and its data is stored in the cloud as instructed by ICT Global, thus allowing for recovery at any time.

Vendor Management

49. We noted that the requirement for biennial evaluation of vendors was not observed and visits to vendor facilities were also not complied with by the Brazil Office.

Recommendation 12

We recommended that Management should ensure compliance with IOM procurement manual prescriptions as it provides a strategic approach to efficiently manage suppliers. We also encouraged regular vendor evaluations and adherence to IOM regulations, coupled with the deployment of the Vendor Information Sheet (VIS) to regularly update the database. We also recommended that management should consider the establishment of a Vendor Information file that complies with the minimum vendor information required by IN/168.

50. Management indicated that the Vendor Information Sheet will be now systematically done for new vendors and an individual vendor information file will be created. Management added that IOM at a global level is implementing the Vendor Information Sheet Online process, with which it will ensure the compliance and archiving of information related to the providers of IOM Brazil. Management further stated that IOM Brazil, in compliance with the procurement policy, will carry out periodic visits to the facilities of suppliers to observe the state of the facilities, stock levels, hygiene, to mitigate risk in compliance with IN/168.

Exit Interviews /Staff Turnover

51. We noted that the Chad Office did not conduct exit interviews with staff separating from the Office at local level, other than surveys conducted anonymously online and centrally, thereby depriving the Office of constructive feedback and the opportunity to assess the overall employee experience with the organization.

Recommendation 13

We recommended that management should conduct, and document exit interviews with departing staff and keep copies on their files to provide valuable information for use in the preparation of vacancy notices to promote staff retention and minimise the incidence of staff attrition.

52. Management accepted the recommendation for implementation.

Data Backup off IOM Premises

53. We noted that although systems back up was carried out by IOM Chad, the requirement of IN/88 to have a safe location off-premises (i.e., bank safe, fireproof safe in IOM's sub-office in the country) to store monthly and yearly backups on Tape to protect data/information against potential disasters was not complied with.

Recommendation 14

We recommended to Management to ensure that off-line back-ups are physically secured and stored at safe locations off-premises (i.e., bank safe, fireproof safe in IOM's sub-office in the country) to allow for easy retrieval of backup media to minimize the incidence of complete loss of data and undue delay in system restoration.

54. Management took note of the recommendation and indicated it is part of its ICT 2022 plan and will be completed by the first quarter of 2022. Management added that the Office will acquire tape drives and a fireproof safe that will be installed in one of the sub offices to store back up tapes drive and will emboss the media with the Office official inventory marks.

Updating of asset inventory list

55. Our review of the Assets Register in PRISM disclosed that: Serial/Chassis numbers of ICT equipment, vehicles and Generators have not been recorded in PRISM; 1,282 items do not have inventory numbers; the last inventory date for 1,551 items have not been updated in the PRISM; and purchasing documents for 39 items were not available in PRISM.

Recommendation 15

We recommended that all asset management information fields prescribed should be promptly updated in the PRISM for effective monitoring.

56. Management took note of the recommendation and indicated that this was already being improved through on the job trainings, as well as the Standard Operating Procedure (SoP) developed for the asset focal points and for all Office staff to be aware of the value and necessity of such information being uploaded into PRISM. Management added that the Unit is in a better position with the support of a staff member who is currently brought on a short-term assignment to further support the Office in terms of asset management.

Indebtedness of separated staff

57. We noted that seven separated staff had amounts totalling USD 5,458.82 standing in their names whilst their status in PRISM also remained active even though they had separated from IOM Chad.

Recommendation 16

We recommended that Management should put in place controls that ensure that employees make good their indebtedness and account for all IOM properties in their custody before they exit.

58. Management indicated that procedures for separations are already in place and being followed and that the staff was rehired and still active (except for one staff member).

Outstanding staff vendor amounts

59. We noted that 14 staff of the Chad Office who were granted advances had a total of USD 47,844.07 standing in their names, with the age of the outstanding debts ranging between 61 and 120 days.

Recommendation 17

We recommended to Management to introduce control mechanisms that ensures that advances to employees are retired within five days after the end of the activity in respect of which the amounts were advanced.

60. Management took note of the recommendation and stated that the advances are being closely monitored. Management indicated that the context in which IOM Chad operates creates some challenges in the monitoring of staff advances. It added that there are no financial institutions in the north of the country, hence the need for the Office to operate with operational advances in those areas.

Indebtedness by separated staff

61. We noted that eight staff who separated from the IOM Congo Office in 2021 had outstanding balances totalling USD 18,064.52 against their names as at the time of the audit, with some outstanding for over 121 days.

Recommendation 18

We recommended the recovery of the outstanding advances from the separated staff and the blocking of the separated staff in PRISM.

62. Management explained that the practice is that staff who had an outstanding balance is offset with the organization when all separation formalities are completed, and that the officers have credit balances which reduces the balance considerably to USD 9,800.

Overdue down payment to vendors

63. We noted at the Congo Office that the Vendor Accounts for other receivables in SAP PRISM showed USD 220,004 was outstanding as at the time of the audit. Out of this amount, USD 71,528 had been outstanding for over 61 to 120 days.

Recommendation 19

We recommended that the CoM should closely monitor and follow up on the outstanding and undertake necessary housekeeping of the accounts to avert future recurrence.

64. Management stated that, it is a normal procedure for the organization to give advance to implementing partners or suppliers as per the contractual obligation cleared by relevant IOM HQ departments (Department of Legal Affairs and Finance and Accounting Division) and is cleared after the verification of their financial report.

Unspent projects funds on closed projects

65. We noted at the Congo Office that some closed projects of the Office for 2020/2021 recorded low burn rates resulting in unspent project funds of USD 292,917.98 out of a total amount of USD 474,776.62.

Recommendation 20

We recommended that the CoM and the Resource Manager should undertake reviews of these projects and monitor them to avoid low burn rates and budget overrun.

66. The Chief of Mission stated that of the projects have just ended or about to end and they are in the process of finalizing the expenses as per IOM regulations and rules, whilst others are being rolled over to the next phase.

Activity lag on project implementation

67. We observed that six closed projects of the Ecuador Office were behind schedule by between 2% to 44%, whilst two major projects which are ongoing were also behind schedule by 6% and 15% with corresponding burn rate of 75% and 31% respectively.

Recommendation 21

We recommended to the Management to speed up its Projects implementation activities to ensure that all earmarked funds are effectively utilized within the projects durations to avert low burn rates.

68. Management attributed the lapse to the effects of COVID-19 pandemic, which affected the implementation of some of the projects and to other implementing agencies or consultancy firms with regard to preparatory times in their selection processes, contracting, and launching of activities, and the fact that a higher percentage of project implementation occurs as the project is coming to an end.

Delays in VAT reimbursables

69. We noted from a sample analysis of outstanding tax reimbursable at the Ecuador Office that, as at 12 October 2021, that a total amount of USD 1,443,409 had not been reimbursed by the host country over the past four years. Out of the amount, USD 861,513 relates to refunds outstanding between two to four years.

Recommendation 22

We recommended that the Resource Management Officers and Chief of Mission should regularly follow up with the tax authorities for early refunds of VAT reimbursables to enhance the cashflow of the Office.

70. Management explained that the pre-pandemic economic crisis in Ecuador, plus the impact of COVID 19 on state finances, had resulted in a significant delay in VAT refunds. Management added that the emergency exit of USAID from Ecuador in 2012 also led to a very long process regarding the refund of VAT.

Outstanding staff vendor account

71. We noted from our review of 25 sampled staff vendor accounts in SAP PRISM at the El Salvador Office that, staff advances totalling USD 233,903.36 have been outstanding for periods ranging between 60 and over 120 days.

Recommendation 23

We recommended that the Office should ensure timely recovery of the advances from the affected staff in compliance with the HR operation procedures.

72. Management indicated that the remaining balances approximately 85% correspond to operational advances, which were approved under exceptional circumstances due to the nature of some Programs. Management stated that it is committed to analyse the situation of every program to find a solution to meet operational needs of the Programs without granting advances to staff vendors. Management added that it had taken action on open outstanding items on staff vendor's accounts in 2021 for which recovery of funds is performed every month and several communications with the accounting unit and staff to continue with the deductions as agreed.

Refund of USD 534,939.91 on close projects

73. We noted that the El Salvador Office reported low burn rates on six projects resulting in unspent project funds of USD 534,939.91, whilst one project experienced budget overrun of 45%.

Recommendation 24

We recommended that the Chief of Mission and the Resource Manager should in future explore the option of rollover of funds at the inception of the project negotiations to enable the Office to make a formal request for the rollover of funds on closed projects, to secure unspent funds for the subsequent period projects.

74. Management indicated that some of the projects implemented by the Office were managed by other Offices, but the CoM and Resource Manager Officer take the necessary steps to monitor the execution and advise the Project Manager or Project Coordinator. Management added that with some of the projects, rollover of funds does not apply as they do not have a next phase to carry forward the funds, hence a reimbursement of funds to the donor.

Review of accounts payable

75. We noted from our review of the Greece Office Accounts Payable Ageing Report that out of the total amount of USD 17,283,039.42, an amount of USD 2,923,445.30 represented older payables between 31 days and over 121 days.

Recommendation 25

We recommended that the CoM should monitor and follow up on outstanding payables with the Greek Authorities to ensure recovery of the VAT amount.

76. Management agreed with the recommendation and indicated that the approval for VAT exemption by the Greek administration is a complex process that takes a minimum of two months, however, IOM Greece had received VAT exemption for a total amount of EUR 12,258,316.00.

Overdue voluntary contribution receivable

77. We noted that as at 30 September 2021, the Greece Office had voluntary contributions receivable totalling USD 9,025,386.78 outstanding beyond 121 days.

Recommendation 26

We recommended that the CoM should continue to follow up on the donors and ensure that all outstanding clarifications to resolve the final report are carried out so as to liquidate outstanding receivables to facilitate implementation of project activities.

78. Management accepted the recommendation and stated that the Office is in close coordination with the Regional Office and will promptly follow up on requests for clarifications received by the donor on Final Reports, to facilitate the timely liquidation of final payments.

Privileges and immunities to IOM staff by the host country

79. We observed that due to the lack of an updated host country agreement, the Greece Office spent several man hours to ensure compliance with IOM standard policies and procedures as well as adhering to national laws of the country, especially, in payroll processing of national staff entitlements. We also noted that there are a few grey areas concerning IOM procedures on migration management which conflict with the national laws and had resulted in the development of a series of Standard operating Procedures to guide staff.

Recommendation 27

We recommended that Management should continue to liaise with IOM Headquarters with the view of pursuing the signing of an updated host country agreement and obtain full privileges and immunities accorded to other intergovernmental organizations.

80. Management agreed with the recommendation and stated that the Office will continue to liaise with the relevant Authorities and IOM Headquarters to ensure the signing of an updated host country agreement.

Need to finalize the Office strategy plan

81. We observed that IOM Office in Greece had developed a Strategic Plan (2021–2024) to establish a system for managing IOM’s programmatic priorities within the context of current migration realities in Greece through an elaborate system for managing risk, monitoring implementation, evaluating performance, and documenting lessons learnt, but the Strategy Plan is in draft, pending formal approval by the Regional Office in Brussels and the IOM Publications Unit.

Recommendation 28

We recommended that in view of the widening scope of migration activities undertaken by the Office, the CoM should liaise with IOM Regional Office in Brussels and the Publications Unit to obtain the required approval of the Strategic Plan and ensure its implementation.

82. Management agreed with the recommendation and stated that the Office will finalize the Strategic Plan, obtain all required internal approvals and ensure its implementation.

Staff sustainability

83. We noted that 226 staff were handling 27 projects in 2020/2021 at the Mexico Office, but the number of projects will reduce by about half of the numbers from 2022 onwards.

Recommendation 29

We recommended to management to consider the sustainability issues thoroughly and endeavour to identify new donors to finance activities of the Office so as to keep trained and experienced staff to support the needs of migrants.

84. Management explained that all staff know that the duration of their contracts depends on the duration of the projects and the HR unit generates quarterly, semi-annual and in few cases annual contracts, always depending on the financial availability of the projects. Management added that the Chief of Mission with her senior team are in constant search of new donors and funding for the sustainability of the Office.

Strategic Plan

85. We observed that the Mexican Office had drafted a five-year Strategic Plan from 2021 to 2025, however that the strategic document was still in draft and had not been approved for implementation although the first year of the planned implementation (i.e., 2021) had almost ended.

Recommendation 30

We recommended that management should speed up the process of approving the five-year Strategic Plan and formulate action plans for its effective and efficient implementation.

86. Management indicated that although a National Strategy document is not mandatory, IOM Mexico will finalize the draft through consultations with the federal government and will negotiate with the Regional Office to change the timeframe to 2022-2025.

Update of Procurement Plan

87. Our review of the Procurement Plans of the Mexico Office for the various projects showed that completed procurement transactions as at 30 September, 2021 had not been updated with the actual dates, actual procurement method used and actual amounts as prescribed by IN/168 Rev2.

Recommendation 31

We recommended that, Management should ensure timely update of the procurement plan to reflect current information on the processing times and take proactive measures when planned schedules are not met. This could assist Management to ensure contingency planning and Management could be better prepared to address upcoming procurement requests.

88. Managed accepted the recommendation and indicated that it will request from each Project Manager the periodic update of the procurement plans as the projects are executed for a more complete monitoring.

Dialogue for exemption from payment of VAT

89. We noted that IOM Mexico had not been exempted from VAT, rather all moneys paid in respect of VAT are refundable to the Organization by the Mexican Tax Authorities. We also observed that although there was speedy processing and payment of VAT refund, there were instances where VAT amounts had not been refunded to the Office. We noted for instance that VAT amounting to USD 37,398.35 and USD 9,787.29 in 2020 and 2021 respectively had not been refunded to the Office.

Recommendation 32

We recommended that management should continue to negotiate and dialogue with the Mexican Tax Authorities to grant them full tax exemption, such that there would not be the need for claiming refunds.

90. Management explained that during the Covid19 pandemic in early 2020, the Tax Authority as well as many public institutions remained closed, without reception of documents of taxpayers, so the process of VAT recovery was delayed, but from March 2021 the Office had access to request VAT recovery.

Activity lag on project implementation

91. Our analysis of projects activities at the Sudan Office disclosed that 20 ongoing projects of the Office were behind the agreed implementation time schedule, falling behind by between 9% and 81%.

Recommendation 33

We recommended to the Management of the Office to speed up its project implementation activities to ensure that all the funds are effectively utilized within the projects' duration.

92. Management attributed the lapse to the revolution and military takeover which affected IOM, other UN agencies, and INGOs/NGOs in implementing humanitarian response as changes in government structure, sporadic protests, roadblocks, and internet cut-off, among others, directly impact IOM projects. It added that the surge of COVID cases in Sudan causing the lockdown in 2020 also affected project implementation in Sudan.

Delays in VAT reimbursables

93. We noted that the Sudan Office had not been able to recover a total VAT receivable of USD 325,330.00 as at October 31, 2021, which include an amount of USD 154,600.00 outstanding for over five years.

Recommendation 34

We recommended that the RMO and CoM should regularly follow up with the Tax Authorities to ensure timely collection of the VAT receivables.

94. While agreeing with the recommendation, Management indicated that the issue on VAT is a UN wide concern in Sudan and that the Finance and Admin Working group at the UN level will be pushing for an upfront VAT exemption to all UN agencies to avoid accumulation and delayed refund of

VAT to UN agencies. Management added that IOM will put in place a measure to regularly follow-up with the VAT office.

Low Budget Burn Rate

95. We observed at the Viet Nam Office that there were delays in the implementation of 15 projects which were nearing completion but have relatively low budget burn rates as of 31 October 2021.

Recommendation 35

We recommended to Management to strengthen their supervision over the project management and ensure that all factors under their control that hinder the smooth implementation of projects are eliminated or brought to the barest minimum to allow for speedy project implementation and completion.

96. Management agreed with the recommendation and added that it will carry over the unspent project funds into next project year to complete the pending activities by the end of the project.

Losses and write offs

97. The Organization reported that during 2021, the total amount of write-offs was USD 1 million (2020: USD 1 million). In the absence of other sources of revenue, this amount had to be applied from Operational Support Income to cover unforeseen project shortfalls that were mainly due to unrecoverable costs and budget overruns arising from completed projects and unrecoverable vendor receivables. Expenses related to such shortfalls are included in the appropriate expenditure lines according to the nature of the expense.

Cases of fraud and presumptive fraud

98. We reviewed cases of frauds, presumptive frauds and write offs by Management and noted that the Administration reported on closing 165 cases of substantiated and unsubstantiated fraud in 2021, while 71 presumptive fraud cases were still ongoing as at 31 December, 2021. All the cases were referred to OIG for investigation. 47 cases were substantiated and referred to the Office of Legal Affairs for further processing and a financial loss to IOM of USD 33,868.74 was reported. We are satisfied with the actions taken by Management in addressing the reported cases.

Follow-up on recommendations from previous audit report

99. As part of my audit, the progress of implementation of the recommendations was assessed. The result of this assessment is given in the Annexure to this report. Most of the recommendations have either been implemented or being acted upon. IOM may take action to implement the outstanding recommendations from earlier reports as well as those contained in this report. The breakdown is shown below.

Financial Year End	Number of Recommendations	Status of Implementation			Percentage of Implementation
		Fully	Partial	Not Started	
2020	38	32	6	0	84%
2019	56	49	1	0	88%
2018	35	31	4	0	89%
2017	54	51	3	0	94%
2016	47	42	2	0	89%
2015	43	42	1	0	98%
2014	37	36	1	0	97%
	310	283	18	0	91%

Acknowledgement

100. I wish to record my appreciation for the cooperation and assistance extended by the Director General, the Chiefs of Mission and the staff of the International Organization for Migration towards successful execution of my audits.



Johnson Akuamoah Asiedu
Auditor-General of Ghana
External Auditor

3 June 2022

STATUS ON THE IMPLEMENTATION OF PRIOR YEARS AUDIT RECOMMENDATIONS AS AT 31 DECEMBER, 2021

ONGOING RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2020 CERTIFICATION AUDIT Geneva (20-CT-CH10-01)	We recommended that Management should improve the ICT Infrastructure to enable tighter access control and a more robust management of the ICT infrastructure to reduce its vulnerability to intrusion. We also recommended the need for additional tools and staff resources to enhance the Organization's capacity to monitor the ICT environment for attempted information security breaches. We also urged Management to update the ICT Strategy and policies with the emergence of sophisticated cyber-attacks which include web-based and non-traditional systems and addresses.	Management welcomed the recommendations and stated that in the second half of 2021, the ICT Division will work with MCD to refresh and redesign the websites to significantly improve the security posture for IOM's websites. Management added that the ICT Division is in the middle of implementing its 3-year strategy which includes: strengthening of its digital core covering a refresh of the ICT Security strategy and a rebuild of the Infrastructure and Operations Function; and the establishment of a digital center of excellence covering the rearchitecting of MiMOSA, establishment of a data, analytics and BI cell, and a refresh of the ERP solution (PRISM).	Albeit funding secured via OSI drawdown for the current ICT security needs, sustainable resources for core ICT security functions remains to be unidentified. The implementation activities are ongoing where resources secured for the Enterprise Resource Planning (ERP) system and the Migrant Management Operational Systems Application (MiMOSA) upgrades.	June 2024
2020 CERTIFICATION AUDIT Geneva (20-CT-CH10-04)	We recommended that Management should continue to liaise with Member States for modest and realistic increases of the core funding structure in a manner which will ensure prudent allocation of resources to facilitate the Organization's effort of prioritization and efficiency enhancement.	Management agreed with this recommendation and stated that over the past years the Administration has highlighted the inherent risks of the funding model to the Member States and spearheaded the budget reform dialogue which is underway. Management added that the ongoing declining trends in the flexibility and predictability of the core budget in relation to total expenditure jeopardize the delivery of services and the enforcement of adequate levels of internal controls.	IOM has continued discussions with Member States and a new meeting of the Working Group on Budget Reform is scheduled for early March 2022, which will hopefully pave the way for concrete financial commitments towards a more stable and sustainable funding mechanism for the core structure. The timeline in terms of implementation will also depend on the scenarios chosen by Member States and may result, if the budget reforms is approved, in a staggered implementation that may span 1, 3 or 5 years. The implementation date is thus provisionally updated to 31/12/2022 and may have to be revisited depending on final outcomes of the consultations with Member States.	December 2022

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2020 COMPLIANCE AUDIT Bangui (20-CO-CF10-02)	We recommended that the BCP is updated to include the ICT component, finalized for use, and regularly updated to include simulation procedures with clear cut implementation strategies. We also recommended that the Office comply with all the requirements of IN/88 by conducting yearly simulation drills for the ICT component of the BCP with a view to ensuring that the recovery functions are effective and working properly.	Management took note of the recommendation indicated that the BCP was updated in March 2020, but the previous version which dated back to 2015/2016 was considered not applicable due to revised context.	The BCP is constantly under active review, to adapt to the volatile country context and to better incorporate the evolving rules and regulations context within the Organization. The BCP is currently under update, to include e-filing guidelines and latest initiatives taken to adapt this to Office specific context. To complete an accurate review, Office will request support from Regional Office, to deploy in country ad hoc Office, to again map context, needs and opportunities and to incorporate these into the BCP.	June 2022
2020 COMPLIANCE AUDIT Niamey (20-CO-NE10-02)	We recommended that Management of the Office should ensure timely retirement of advances by staff in compliance with the PRISM HR operation procedures.	Management indicated that advances regarding Education Grant is managed/cleared by MHRO once the staff member submits the final EG claim and generally it takes over one year to clear. Whereas those related to operational advance for activities are still ongoing and partial clearing is being done when documents for verification is submitted for settlement. Management added that the Office is sending reminders to PM/HR colleagues to contact with staff for submission of documents, whilst Medical Advance will be cleared upon clearance from HCPU, Manila.	Primarily all recommendations are implemented. The Standard Operating Procedures for the Operational advances are in progress for finalization.	April 2022
2020 COMPLIANCE AUDIT Kabul (20-CO-AF10-02)	We recommended that the CoM should establish an effective risk management system in compliance with IN 213 and ensure systematic identification and documentation of significant risks and put in place the necessary controls to mitigate the risk.	Management took note of the observation and indicated that the Office through the Senior Resources Management Officer is working on plans to initiate the preparation of a Risk Register under the close guidance of the Chief Risk Officer from HQ Geneva and gave 31 March 2021 as the target completion date.	Risk Management Working Group has been formed in the Office and a meeting held with IOM Risk Unit for guidance of completion of Risk Register. The draft risk register is due for completion internally by 6th of April 2022 and will be sent for review to Risk Unit with a target to have final Risk Register by 30th of April 2022.	April 2022

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2020 COMPLIANCE AUDIT Kabul (20-CO-AF10-03)	We recommended that the Office should liaise with Manila and Headquarter to assist in addressing the training needs of staff of the Office.	Agreeing with the observation, Management added that the Office opted for online training webinars in coordination with PAC, MAC & HQ, as sending IOM Afghanistan staff to trainings outside the Office comes with huge costs and visa implications. Management indicated that a limited number of staff have benefitted, and the modality has been effective as it is done in the offices during working hours, where stability of Internet is guaranteed.	The Office has recruited a Human Resources Officer assigned to actively consolidate the needs of the Office and establish the training plan.	June 2022
2019 CERTIFICATION AUDIT Geneva (19-CT-CH10-03)	We urged management to consider the determination of a threshold and a discount rate which would be applicable to guide assigned staff to eliminate any discretionary interpretation on how the non-current assessed contribution receivable ought to be treated in the Annual Financial Report.	Management agreed with the recommendation and stated that they would determine a threshold and discount rate for non-current assessed contribution receivables.	The assessment for establishing the appropriate threshold is ongoing, taking in consideration as well as the IPSAS 41 – Financial Instruments requirements coming into effect 1 January 2023, which are being coordinated with an IPSAS consultant, with a view of finalization in time for incorporation into the Organization's International Public Sector Accounting Standards (IPSAS) manual for the 2022 version release.	April 2023

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-06)	<p>We urged Management to take the necessary steps to ensure timely recruitment of the Project Director and include as part of their terms of engagement clear timelines in liaising with the necessary stakeholders and act on the actions outlined in the Council's resolution. Management should also ensure the timely development of the prototype design for the new building and assess the impact to the other occupants of the adjoining building sharing the same perimeter with IOM. Furthermore, we would continue to provide independent assessment as part of our annual audit assurance of the Organization's operations to augment oversight activities on the implementation of the Project to enable the Organization take proactive measures to mitigate any potential operational or financial risk.</p>	<p>Management stated that IOM has not engaged with other institutions in the annex building regarding the Project, and further stated that although the two buildings share common services for heating and garage, the owners of the properties manage them independently. The Swiss Building Foundation for International Organizations (FIPOI) provides general oversight for both buildings so are responsible for any overarching issues that impact the owners of the buildings. FIPOI is also formally the designated focal point of the Government of Switzerland for the new IOM building project. Consequently, any issues relating to the new building which will impact IOM neighbours will be managed by them. The construction of the new building will not have any direct impact on the adjoining building. The IOM Administration will nonetheless take proactive steps to inform the neighbours on development as appropriate. IOM is currently in the process of procuring a consultancy to start preparatory work that will be used to undertake the initial assessment and establish the pre-requisite for the project to define the exact cost of the Project. This initial work by the Consultant will be continued by the Project Director for whom the recruitment will take a longer time. The Director General has already established a Steering Committee which provides oversight to the whole process and the Administration commits to ensure that adequate planning, consultation and active engagement with Member States, stakeholders and stringent procurement and internal controls measures will be strictly adhered to. The Administration will continue to rely on the independent assessments of the External Auditors throughout the life of the project from the initial conceptualization phase to completion.</p>	<p>The following has been completed, the competition documents, including the program of the future building have been finalized and the competition has been launched on 9 February 2022. In addition, the study loan contract has been signed on 7 March 2022. The discussion on the Land Lease Agreement (DDP) conditions are going along and IOM received some written reassurance from host State on its good will to agree to conditions acceptable for all parties in a timely manner. The procurement of an independent risk assessor and adviser will start during the first Quarter of 2022, for a recruitment around July 2022, at the time of the designation of the future architect for the development of the project.</p>	To be determined

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-08)	We urged Management to strengthen the ICT governance process, especially, in terms of management of business owners' initiatives on ICT solutions, using an enterprise-wide approach in achieving value across the Organization.	Management agreed with the recommendation and stated that they will provide an action plan by towards end 2019.	ICT Governance implemented in 2021 with a governing board and subsequent governance activities to be mainstreamed into the work of ICT's Strategy, Risk and Governance Function	June 2022
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-01)	To improve upon procurement planning, we recommended that IOM should ensure that: issues of procurement plan should be assessed and addressed at project development stage; PSD should strengthen its oversight functions; staffing position at GPSU and PSD should be improved; IOM should restructure PSD and widen its scope to serve as a specialized unit in supply chain and value management.	Management accepted the recommendation and indicated that additional guidance on procurement planning will be provided within the upcoming revisions of the Procurement Manual (IN168) and Project Handbook (IN/250). PSD will continue issuing Procurement and Supply Chain alerts to facilitate information sharing and enhance oversight and compliance to standards and procedures. In collaboration with HRM/Staff Learning and Development, PSD will develop training modules for the end-to-end procurement value chain that will be accessible and certifiable	Planning, along with analytics and reporting is one of the key priority areas for SCM this year. SCM will be working closely with the academia to develop these modules and produce procedures and templates to facilitate procurement planning in IOM. In order, to widen the scope of PSD and more accurately reflect the supply chain principles as integrated concept PSD has been renamed as Supply Chain Division (SCD) which recognizes procurement as integral part of entire supply chain management at IOM. The "end-to-end" nature of SCM is also duly reflected in SCD strategy 2022-2026. However, SCD is still in anticipation of receiving adequate funding to improve staffing position and better recognition of SCM domain.	December 2024
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-04)	To improve upon its procurement options, we recommended that Management should review the Procurement Manual to align with United Nations standard procurement policy structure and ensure compliance in all offices. Again, mandatory institutional Procurement training should be conducted for all procurement and non-procurement staff to ensure that human errors are minimized.	Management accepted the finding and indicated that the revision of the Procurement Manual and compliance with the manual will be monitored by strengthened oversight. Mandatory procurement training will be prioritized as part of the implementation of the revised manual through a change management strategy.	Consultations on the latest version of the Procurement Manual is ongoing, and this is targeted for release by the third quarter of 2022.	August 2022

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-09)	Due to the capital outlay needed to reengineer/overhaul SAP implementation, we recommended that Management should perform a user assessment survey of the system application and develop a business case or a sustainability plan, including funding requirements, for the consideration of MS before the year 2025.	Management agreed with the recommendation and indicated that actions are under way to achieve the target of replacing SAP before 2025. It added that ICT has started the initial discussion at DRM level to prepare for the replacement of SAP and that this will be tabled during 2018 IT Advisory Board meeting and will be included in the budget review process.	The implementation activities are on track to have the new ERP implementation on schedule.	January 2024
2017 INTERIM AUDIT Manila (17-IN-PH98-05)	We recommended that Management should review the chart of accounts to include account definitions that are descriptive and instructive of the actual financial transactions of IOM. Management should also consider embedding a maintenance framework/guideline into standard business processes to ensure relevance of the chart of account.	Management agreed with the recommendation and stated that it is a priority for the Accounting Division. It indicated that preliminary work started in 2017 and will continue as time and resources allow. Management added that the policy on CoA revision and guidance on GL usage to offices, will be addressed as first priority in the CoA review process and will incorporate emerging donor and management financial information needs (e.g., CBI, Implementing Partner transfers and many others) as well as the necessary restructuring of material codes related GLs to better serve the various information needs.	An external partner professional accounting firm has been engaged in the CoA improvement initiative and the work is in progress.	October 2022
2017 COMPLIANCE AUDIT Beirut (17-CO-LB10-01)	We urged Management to continue with its efforts in ensuring that the Country Office obtains an agreement with the government of Lebanon to enable the office to reinvest the savings from VAT exemptions into catering for migration needs.	Management explained that it was doing its best to finalize and sign an MoU with the Government as early as practicable. It indicated that the Office was working with the Ministry of Foreign Affairs, Ministry of Interior/General Security Department (GSD) and Office of the Prime Minister to draft the MOU and the response so far has been very positive but added that final approval was still under discussion.	Negotiations with the Lebanese government (MFA) are ongoing. Two meetings took place with the Minister of Foreign Affairs in November 2021 and January 2022. The RC joined the meeting in January 2022 to help advocate for the signature of the cooperation agreement and P&Is. IOM continues to follow up closely with the MFA, in close coordination with LEG.	December 2022

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-02)	Although a Statement of Internal Control is not required under IPSAS to be presented as part of the Financial Statements of the Organization, we recommended that the Organization should work towards the adoption of this best practice to issue a Statement on Internal Control as part of the financial reporting to provide assurance to all stakeholders that IOM is effectively managing and controlling the resources entrusted to it.	Management agreed with the usefulness of the Internal Control Statement as an emerging corporate governance tool and indicated that it will evaluate the feasibility of adopting such practice, giving due consideration to the time and additional resources needed for implementing the necessary certification procedures within IOM's decentralized structure without increased administrative burden on its lean central structure and existing high demands on field offices.	The implementation is in progress. As reported, the implementation processes are part of the IGF, Business Transformation, Financial Accounts Control Optimization and new Finance Controlling Model initiatives are ongoing, which will facilitate the issuance of the Statement of Internal Control.	December 2024
2016 CERTIFICATION AUDIT Geneva (16-CT-CH10-11)	We recommended that Management should review IN/1 to strengthen policies and procedural coordination within the Organization. Management could also consider the establishment of a Policy Coordinating Unit to have close collaboration with technical members of departments to ensure that policy, normative and operational management are coordinated and aligned with IOM's mission and objectives.	Management concurred that it is essential to maintain an up to date, well organized, coordinated and complete series of policies, and that this is an important part of any well-managed and transparent organization. It indicated its commitment to explore specific approaches to improving the current regime, including reviewing the IN/1 and any structural solutions to help improve in this area.	There was a need to consider change due to HQ restructuring. Process is still ongoing but was more clearway defined and will focus now on update of IN/1. Next Working Group meeting is planned for March.	September 2022
2015 CERTIFICATION AUDIT Geneva (15-CT-CH10-07)	The resolution of the problems faced in non-implementation of recommendations of internal audit may be addressed by the Management/Audit Advisory Committee so that corrective action envisaged under these recommendations could be taken.	OIG is reporting statistics on the Ongoing audit recommendations. The administration is following up to address the recommendations at all levels including by country offices, regional offices, the administrative centers, and Headquarters.	The implementation is in progress. As reported, opportunities for implementing further measures to strengthen management follow-up of audit recommendations are ongoing under the IGF.	September 2022

ONGOING RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Planned date of completion
2014 PERFORMANCE ICT AUDIT Geneva (14-PE-CH10-14)	ITC may ensure that confidentiality and integrity of organization-wide data is strengthened by adopting ISO 27001 certification and updating its backup system.	No funding has been approved for the IC Division to implement compliance with ISO 27001. Although the latest ICT Strategy (2017-2020) incorporates ISO 27001 certification as one of its objectives within the period. This objective is supported by defined action to be delivered by ICT between now and 2020.	Beyond the Data Centre consolidation, no funding was received for the completion of the ISO 27001 on IOM systems. All additional work beyond the immediate securing of HQ systems was suspended until required funding is obtained.	June 2022

IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2020 CERTIFICATION AUDIT Geneva (20-CT-CH10-02)	We recommended that Management should develop a formal counterparty credit risk exposure limit for unrated banks or financial institutions to guide offices in the management and monitoring of cash balances against allowable limits.	Management accepted the recommendation and stated that although the policy exists in practice, it is now fully written up, which will be included in an updated IN 209 (Central Treasury Policy) during 2021.	Counterparty risk is evaluated by Treasury and new tools have been added to have live information. Unrated banks remain challenging to assess in terms of risk and our best mitigation measure is to keep bank balances lower than 1 month of monthly coverage unless special request from Offices.	December 2021
2020 CERTIFICATION AUDIT Geneva (20-CT-CH10-03)	We recommended that Management should develop and document its risk management monitoring tool on the planned activities and adopt an updated standard reporting mechanism in line with the workplan structure to provide clarity in the coordination as well as the implementation. Management should also liaise with Member States to secure predictable funding through provision of unearmarked funding and extra budgetary resources initiatives.	Management explained that the Administration provides an “Update on the application of the Internal Governance Framework” at each SCPF and added that in view of the constraints on the length of SCPF documents, Administration is actively considering producing an additional, lengthier status report which would allow for more comprehensive updates on progress of Internal Governance Framework. Management agreed with the importance of successfully delivering change and has engaged an external consulting firm to support the development of an IGF change management strategy and plan, to be completed in Q2 2021.	The Progress Report of the Application of the IGF Work Plan was published and shared with the Member States in December 2021. The report outlines the progress made per each of the five IGF objectives as of August 2021 and the updated status of all IGF work items, including the details of all completed work items. The report was also shared with staff members and two global webinars presenting the Progress Report were held in January 2022. The IGF unit, which is now integrated into the new Department of Strategic Planning and Organizational Performance together with Risk Management Unit and other units, will continue to monitor and report on progress to Member States and will continue its efforts to secure the funding needed to complete the IGF Work Plan.	December 2021
2020 COMPLIANCE AUDIT Kabul (20-CO-AF10-01)	We recommended that Management should liaise with the Office of Legal Affairs (LEG) at IOM Headquarters with the view to resolve these challenges to enable IOM Afghanistan to enjoy equal rights and privileges as their counterparts in the UN Family.	Management explained that the revised Cooperation Agreement was initiated in July 2019, and the process which is under coordination with the office of Legal Department is at an advanced stage. Management emphasized that the process has taken longer as it is not easy to finalize the magnitude of such agreement considering the current political environment in Afghanistan.	Due to the change in the government all the progress that had advanced the Memorandum of Understanding has now stalled and the implementation of this finding is now difficult to assess. Due to the circumstances management considers this recommendation to be closed.	No date can be predicted now

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2020 COMPLIANCE AUDIT Bangui (20-CO-CF10-03)	We recommended that Management should have a data backup storage at a safe location off IOM-premises (i.e., bank safe or fireproof safe in IOM's sub-office in the country) to allow for easy retrieval of backup media to avoid the risk of complete loss of data and undue delay in system restoration.	Management took note of our recommendation and stated that it will assess resources and feasibility. Management added that the office is currently provided with a physical archive, in a dedicated room, to comply with statutory requirement of physical conservation of documents, for audit purposes, up to 7 years from project end date. Fire extinguishers are available in the room and access is restricted to few users, in finance department. Safes are only dedicated to cash and values.	Office has implemented the recommendation, a physical archive is maintained at the new premises, also a massive activity of scanning is ongoing - to comply with e-filing internal instructions.	December 2021
2020 COMPLIANCE AUDIT Bangui (20-CO-CF10-05)	We recommended to Management to strengthen its supervision on projects and ensure that factors under their control that hinder the smooth implementation of projects are eliminated or brought to the barest minimum to allow for speedy project implementation.	Management agreed with the finding and indicated that the Office went through significant turnover in key staff positions in management roles. Unfortunately, this has challenged an efficient follow up, while replacement of outgoing staff was delayed by travel restrictions due to ongoing Covid19 pandemic.	PM ToRs have been revised and management responsibilities related to each project have been clarified. Regular communications are ongoing within RMU and Program, as well as regular coordination mechanism is in place with field offices and operations, to strengthen awareness of project progresses, challenges, needs for support. Recruitment of a Program support Officer is also ongoing, to support the Project Managers in internal monitoring and reporting tasks.	January 2022

IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2020 COMPLIANCE AUDIT Bangui (20-CO-CF10-06)	We recommended that Management should ensure compliance with provisions of the IOM Procurement Manual as it provides a strategic approach to efficiently manage suppliers with benefits which include, risk mitigation, performance optimization, cost reduction, creation of loyal relationships, increased administrative efficiencies, protection of purchasers brand, amongst others. We also recommended regular vendor evaluations, adherence to IOM regulations and the deployment of the Vendor Information System to regularly update the database.	Management to note of the recommendation and stated that all procurement transactions were coordinated with their central office for Procurement and Supply and the Legal Department, depending on the process. Management agreed with the for a structured and documented reports following visits to vendors premises and facilities and added that the Office will liaise with central offices to strengthen capacity to assess and formalize information on this aspect.	The Office is following internal instructions on Vendors Management including the roll-out of the platform for vendor management and evaluation. This represents an important tool for the Organization, also helping the Office in tracing and documenting the performances of most relevant vendors. Specially related to common services, the Office has conducted during 2021 a review of main contracts in use and conducted comparative analysis, based on quality of service provided and costs, useful also to reassess needs. As example, during 2021 the Office has documented a performance review for Internet Services, covering all field offices, and has decided to change Internet SP based on the performance and CBA review. It is important to mention that the Office on participates to Country BOS strategy, where several LTAs are subject to review, this requesting a performance review and vendor evaluation shared by several agencies. This also contributes to mitigate risk and increase administrative efficiency, taking advantage of shared evaluations and agreed templates.	March 2022
2020 COMPLIANCE AUDIT Islamabad (20-CO-PK10-01)	We recommended that Management should ensure timely development of the Office's strategy or action plan in alignment to the regional strategy, using results-based management as a planning, reporting and evaluation tool.	Management accepted the recommendation for implementation.	The draft strategy (2021-2024) is finalized in February 2022.	February 2022
2020 COMPLIANCE AUDIT Baghdad (20-CO-IQ10-01)	We recommended that Management should update the CCSA and ensure that significant control actions are appropriately assigned with delivery dates and monitored for compliance.	Management indicated that a control mechanism is maintained within the Office to identify and mitigate risks but acknowledged the importance of updating the CCSA on yearly basis as a compliance control.	The Compliance Control Self-assessment Tool has been updated and management considers the recommendation as implemented.	October 2021

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2020 COMPLIANCE AUDIT Juba (20-CO-SS10-01)	We recommended that Management should re-strategize and harness the expertise of the project managers to come up with projects that can secure funding to enhance sustainability of the Country Office in the contest of projectization.	Management indicated that despite the relatively fewer Development Projects, there are enough Humanitarian Projects to ensure the sustainability of the Office.	The revised organizational structure of IOM South Sudan has been affected beginning of January 2022. Some of the key achievements on Q1 of this year are as follows: (1) approval of the USD 110 million multi-year project with World Bank; (2) elected for second year as member of the SSHF Advisory Board; and (3) appointment as Humanitarian Task Leader for Bentiu Flooding Mitigation and Response by the Humanitarian Coordinator.	December 2021
2020 COMPLIANCE AUDIT Niamey (20-CO-NE10-01)	We recommended that Management should expedite action in filling the available vacancies for efficient execution of projects.	Management stated that recruitment process is at different stages and hope to get the qualified personnel to fill the declared vacancies. It added that for the G6 and P1 positions, records have been sent to Panama Administrative Center Advisory Service for clearance, whilst the Office awaits expecting approval for Grade Transfer of a staff member from Head of Programmes P4 to Senior Community Stabilization Coordinator P4 position from DG's office.	All recommendations are fully implemented	December 2021
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-01)	We urged Management to enhance internal communication among various offices and units and introduce standard operating procedures for deactivating vendors whose actions have been duly investigated and concluded by the Organization to be non-compliant.	Management agreed with the recommendation and confirmed that the currently decentralized process for blocking vendors in PRISM will be reviewed, as part of the planned comprehensive process review of vendor management. This review will inform the development of a comprehensive SOP for blocking vendor and will further clarify the roles and responsibilities of IOM offices and central units within this process.	The vendor clean-up and review procedures will be initiated by the end of the month, and will cover: mass blocking of vendors inactive for 24 months via system batch program a tool that facilitates Office's review of vendors that are inactive but with open items, those with matches to sanctions lists, and duplicate vendors.	February 2022

IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-02)	We recommended that Management should introduce comprehensive policy coordination and supporting procedures to facilitate coordination among all the shared services with regards to vendor master data management. Furthermore, IOM shall establish control mechanisms systematically reviewing the vendor master data to correct incomplete data fields, particularly in relation to information about vendors' names, contact address and bank accounts. The Organization's Vendor Information Sheet (VIS) should also provide information to vendors about the need to limit the payment methods to reduce risks.	Management agreed with the recommendation and stated that it will assess the options available to automate related control mechanisms both for centrally and for locally maintained vendor accounts.	Phase I of the Vendor Management Systems has been launched last 6 December 2021, with the release of the new vendor tools for search, creation, editing, and blocking, which has mechanisms to check for completeness, review against sanctions, and enable workflow approvals. Guides have also been released and will be embedded in the apps themselves. We have also worked with TSY to streamline the payment methods, and to enhance the input of bank information, including bank keys. The new Vendor Information Sheet has been revised to reflect the new architecture and now also includes the Supplier Code of Conduct in Sheet 2. Further enhancements to the Vendor Master Record display will be made in the coming weeks and by the end of the month, we hope to initiate the clean-up procedures.	February 2022
2018 CERTIFICATION AUDIT Geneva (18-CT-CH10-05)	We recommended that Management should establish SOP to guide the process for sharing HR data with the relevant offices and conduct an assessment of SAP PRISM with a view to enhancing its reporting capabilities towards this process. All mandatory staff record fields such as entry and end date should be appropriately filled to ensure accurate determination of employee benefits.	Management agreed with the recommendation and stated that it will assess the options available in enhancing PRISM reporting capabilities towards HR data processing.	The initiative to automate the data collection for submission to the Actuary is ongoing, whilst also having incorporate the business requirements within the scope for the Business Transformation (BT) under the human resources management stream. The Standard Operating Procedures is under consideration but to extent subject to an assessment to what extent automation could be considered within the current PRISM system given the BT initiative.	April 2023

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-03)	We therefore recommended that Management should: establish a review committee to ensure that vendor information is reviewed and updated constantly; assess institutional supply chain system solution enabling automatization of transactions; and the functionalities of PRISM should be expanded to include modules with functions sufficient for the entire procurement supply value chain management.	Management accepted the finding and indicated that the vendor management process will be reviewed to inform the development of comprehensive guidelines. An assessment of institutional supply chain system solution enabling automatization of transactions and using direct interface with PRISM will be part of the broader Procurement and Supply Chain Management reforms.	The below enhancements have already been rolled out: PO and Contracting (PO for Services, Internal POs, etc.) Online PR App Vendor Management Systems - new architecture, search, creation, editing, blocking tools E-filing for SCM Procurement Compliance Review procedures have also been revised. By the end of February 2022, the cleanup procedures were initiated.	March 2022
2018 PERFORMANCE AUDIT Geneva (18-PE-CH10-05)	We therefore recommended that Management should implement authorization of procurement and payment process-flows in PRISM using technology to leverage human time for efficiency of processing payments. Also, clear guidelines for specification and TORs with the new Procurement Manual.	Management accepted the finding and indicated that the automation of authorization of procurement and payment process-flows will be assessed and implemented as part of broader Procurement and Supply Chain Management reforms. Enhanced guidelines for specification and TORs will be provided.	Workflow approvals are included in all the digital tools released, which aligns with the delegation of authority for every Office, including but not limited to: The Online PR App, Vendor Management Systems (Creation, Editing, Blocking, Unblocking), Purchase Orders and so forth. The workflow setup is performed by each Office based on the COM-signed delegation of authority, and approval, rejection, and related comments are stored in the applications as well.	January 2022

IMPLEMENTED RECOMMENDATIONS

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
<p>2017 CERTIFICATION AUDIT Geneva (17-CT-CH10-02)</p>	<p>We recommended that Management should develop a comprehensive anti-fraud manual that responds to its operational and administrative environment, taking advantage of lessons learned and best practices developed in the course of preventing, detecting, investigating and sanctioning fraud that have occurred.</p>	<p>The Office of the Inspector General agreed with the finding and recommendation to update and consolidate the existing fragmented instructions into a comprehensive manual that addresses the full spectrum of fraud prevention and control strategies. It added that the Internal Audit function has produced a draft manual that will address most of the prevention, detection and monitoring strategies and that a manual for investigation that will outline various elements addressing protocols related to fraud response will also be produced.</p>	<p>Further to previous updates, OIG Internal Audit finalized its Strategy document that was reviewed by the Audit and Oversight Advisory Committee, while most audits conducted in 2021 as per previous response, tackled significant systemic areas through Headquarters dedicated audit assignments, as previously noted. For 2022, the annual audit work plan will be pilot testing a more Agile protocol approach focusing more on the detailed review of programme/projects. Internal Audit is also fully supporting the Internal Governance Framework Initiatives that are ongoing and touch upon several the areas identified in the external audit referenced in this recommendation item. For OIG Internal Audit, this recommendation would be considered as implemented, and monitored through the IGF activities and initiatives, also given the new ERP process that is ongoing up to 2024.</p>	<p>December 2021</p>

IMPLEMENTED RECOMMENDATIONS (continued)

IOM tracking number	Recommendation S/28/CRP/1	Management response	Subsequent action taken (as at March 2022)	Completed in
2015 PERFORMANCE AUDIT Geneva (15-PE-CH10-15)	IOM may explore inclusion of policy provisions specific to staff with disabilities as part of efforts to create a diverse and inclusive work environment.	A new Diversity and Inclusion Officer position was approved in the 2017 budget (under recruitment currently) and a Staff Welfare Position has been established in 2016. These positions will be tasked to promote inclusion of staff members with disabilities.	IOM was part of UN-wide discussions that led to the creation of the UN Disability Inclusion Strategy (UNDIS) launched in 2019. Since then, IOM reports annually on this framework consisting of 16 indicators and must commit to annual actions to improve in each area. In terms of employment of persons with disabilities, IOM has participated in career fairs for persons with disabilities since 2019 (at least one per year), has organized training for IOM employees regarding disability etiquette, a toolkit on disability inclusion was created and launched with the Ombudsperson's Office in 2020, a training collection on disability inclusion has been made available for staff in the internal learning platform, and an internal network of employees with disabilities was created in 2020 for employees with disabilities and allies. Since 2018 reasonable accommodations for employees with disabilities have been offered to employees who request them. In 2021 an external consultant produced a draft policy on accommodation, and accessibility guidelines for: recruitment, communication, events. Global all-staff events on disability inclusion take place every year for the International Day of Persons with Disabilities, with a communication strategy, involvement of employees with disabilities and of senior management. Since 2022, Disability Inclusion is part of the portfolio of the new Gender and Diversity Unit, reporting to the DDG for Management and Reform.	December 2021